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ABSTRACT

This booklet discusses some consequences of internationalization for national training systems from the standpoint of the following two broad approaches often taken by international organizations: (1) the human capital ideology, which assumes human capital is an appropriate basis for education policy; and (2) the human rights and human development ideology, which asserts that education is best conceived in humanistic terms rather than in terms of the instrumentalism espoused by human capital ideology. The booklet is divided into four parts. Part 1 considers the three main ways international organization impact on national education systems and explains why it is important for applied linguists, literacy experts, and human capital economists to engage in "professional conversation." Part 2 focuses on the following three topics: the concepts of internationalization and globalization; nations and the global economy as entities on a collision course; and the concept of the multicultural nation. Part 3 traces how the left and right wings of politics have traditionally regarded states' response to globalization and how most political entities have come to adopt a common ideology of market liberalization. Part 4 explores how human capital has become the theoretical framework that dominates thinking about education in many societies. (Contains 16 references.) (MN)

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LANGUAGE AUSTRALIA

GLOBALISATION:

FRAME WORD FOR EDUCATION AND TRAINING, HUMAN CAPITAL AND HUMAN DEVELOPMENT/RIGHTS

Joseph Lo Bianco
14 April 1999
University of Melbourne

This paper was the Inaugural Lecture given by Professor Joseph Lo Bianco on 14th April 1999, to mark his appointment as a Professorial Fellow of the University of Melbourne.
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1 INTRODUCTION

1.1 OPENING REMARKS

In this paper I discuss some consequences of internationalisation for education. In particular I look at the impact that international organisations seek to have, and often succeed in attaining, on national education systems. Two broad approaches from international organisations can be discerned.

The first is *human capital ideology,* of which the OECD is the chief (though not sole) exponent. The Paris-based Organisation for Economic Cooperation and Development shares the belief in human capital as an appropriate basis for education policy with other economically based international organisations such as the Washington-based International Monetary Fund and World Bank.

Human capital essentially seeks to make the main motivating force for investments in education, for curriculum choices and for school structures, the imperatives of national economic development, the employment outcomes of school graduates and the measurable attainment of certain skills.

Literacy skills are often taken in human capital theorisations of schooling to be both important in their own right; stable across cultures and education systems; and, finally, to be a kind of proxy measure of wider and deeper educational outcomes.

The second (and radically divergent) approach can be called the *human rights and human development ideology.* Although there are different streams within this overall approach to thinking about education that I have grouped under this overarching term (and several international sponsoring bodies, including non-government organisations) I will refer mainly to the work of two of the United Nations agencies, Paris-based UNESCO and New York-based UNICEF. In particular I discuss the view of these agencies, bolstered by continual reference to rights, access and development notions that education (in both developing and developed nations) is best conceived in humanistic terms (rights and development) rather than in terms of the instrumentalism that human capital ideology espouses.

It is important to stress at the outset that I am not addressing whether there is a direct contest of ideology between the World Bank-OECD on the one hand and UNICEF-UNESCO on the other. Rather I am concerned to map out how international agencies seek to have an impact on national education plans and practices and how deeply enmeshed we are in a globalising pattern of influence on educational practices.

1.2 AN AGENDA OF WORK FOR THE FUTURE

This paper reflects some ideas and concepts that I am presently working with and which I hope to develop further over the next three years. The paper deals with the kinds of overarching ideas that frame the approaches to education funding and planning that international organisations take.

The views of international organisations usually impact on national education systems in three main ways.

Firstly, through the direct advice that these agencies provide to national governments. Though this advice is to a large extent under national government control it does not always always result from commissions that such governments offer to international agencies. Sometimes the advice about education investments and priorities results from wider economic advice briefs that national governments allocate to international agencies, which in turn then comment on education and its relation with the economy.

Secondly, through the pressure and influence that the comparative studies that these agencies specialise in conducting, exert on national governments. Comparative studies of educational performance (and also of various measures of training, and labour market characteristics) comes to exert significant pressure on national governments when these studies are reported in the media or when they find a domestic audience which advocates the findings of these studies as having national policy relevance.

Finally, international organisationals can influence national education policy in more direct ways. The instruments that are proposed to national governments for adoption (such as Declarations, Conventions, Behaviour or Standards Protocols and Agreements) and are promulgated to all countries for signing and implementation have the effect of a kind of world benchmarking against which nations can set policies, and be judged.

The first source of influence, direct advice to national governments, is more typically encountered by developing nations. Its most extreme form involves the conditions which monetary agencies attach to loans that they grant, especially in bail-outs. The recent examples of external policy direction imposed on several Asian nations by the IMF after the capital flight that devastated their economies are excellent cases in point. The conditions attached to bail-outs (in their effects if not their intentions) often go well beyond direct financial or economic policy.

The second source of external influence from economically based international agencies (ie the effects of comparative studies) is more typically

encountered by developed nations as they search for comparative advantage over rivals in the global market place. Comparative tables of educational performance (often represented by measures of tested, or assumed, literacy levels) exert significant influence on domestic debates about the distribution and allocation of resources within national education budgets.

The third means of external influence (international standards setting from conventions) is felt by all countries. The kind of national benchmarking that I am referring to can take highly generic forms such as Declarations (probably the most well known being the *International Declaration on Human Rights*) or they can be much more precise and focussed such as the Conventions on Teacher Employment Standards. It is this third kind of activity that sometimes offends politicians concerned who seek to defend 'independence' and 'national determination' when they allege that these instruments violate national sovereignty.

1.3 TOWARDS A PROFESSIONAL CONVERSATION

Given the frequent use of literacy performance data (especially prominently by the OECD and UNESCO, though in radically different ways) it is of critical importance to engage in and facilitate a 'professional conversation' between applied linguists, literacy experts and human capital economists.

I want to signal this as a task that I hope to undertake, collaboratively with my colleagues, during my period of association with the Faculty of Education at the University of Melbourne.

Language professionals (if it is possible to generalise about such a group) are sensitive to the impact and importance of context on language. To be sure there is no clear agreement about what language researchers from different intellectual traditions actually mean by context, and different operating notions of what constitutes a *context* for language description purposes. Nevertheless, I think it is true to say that perhaps the greatest single dynamic that has shaped the scholarly professions of linguistics, applied linguistics and educational linguistics in recent decades has been the impact of post-Chomskyan theories (ie those theories that ground language description in various kinds of contextualisation or which generally adopt a socially rich paradigm of language).

In response to the essentially mentalist constructions of language that Trasformational Grammar represented (and its agnostic position on educational practice) most of the language academic fields (in different ways, and at

different stages) have had to come to grips with the empirical evidence for variation in language acquisition, use, and attitudes according to various notions of context.

I think it is not too bold to state that language studies, understood in the broadest and most inclusive way, have spent a good part of the last 25 years grappling with the scholarly and practical consequences of acknowledging that language has context as well as a calculus. If descriptive linguistics traditions have learned to measure language in various ways, it is just as clear that 'language' is highly variable and context-sensitive. There are at least two approaches within socially based views of language, what I would call the mainstream or classical socio-linguistic approach which sees correlations between language and social phenomena, and a more radical approach which identifies many instances in which language forms *actually constitute* social phenomena.

Professional economists and public policy personnel tend to use language and literacy data as proxy measures for, among other things, average education levels in a given society, or for the 'rates of return' calculated for particular levels of investment in education. They are not necessarily insensitive to variation and context within their own professional fields but language is **not** their professional field. For example, the reports and advice to national governments that the OECD has produced in recent years often largely unproblematically recruit de-contextualised data on literacy performance in ways that make many literacy educators and researchers extremely sceptical about the conclusions and validity of these reports.

Economically oriented comparative education reports increasingly utilise language indicators to describe national economic competitiveness. Economic analysts' notions of language and literacy can seem very reductive, defective and even dangerous to good education from linguists' and language and literacy educators' points of view.

At the same time as economics-based educational analyses are impacting on national governments an opposite tendency struggles for attention. Specifically I am referring to the plethora of international educational conventions (which often derive their logical framings from diametrically different ideological bases from economic ones) which Australia is either a signatory to or which are advocated to Australia for adoption.

The main sources for these conventions are the various agencies of the

United Nations, such as the International Bureau of Education (based in Geneva and originally an agency of the International League of Nations and now associated with UNESCO), UNESCO and its various sub-agencies, and UNICEF. The conceptions about education that underlie and frame these conventions are often directly in contradiction with human capital ideas. Collectively I will call the general basis of these conventions, instruments of agreement, protocols and other administrative paraphernalia for international influence on national education systems, the human rights/development paradigm.

Even the tools and instruments through which human rights/human development framed international organisations seek to operate differ from those of the organisations that operate with human capital theorisations. While the latter depend mostly on *documenting comparative performance* and assume that national governments will be motivated by their relative standing to improve (or maintain) their ranking, human rights framed international documents tend to work on *moral suasion*. This is evident in general but is even apparent from the very names of the 'tools' that these organisations use being Cooperation Instruments, Agreements, Conventions, Declarations of Intent, and other public ideals affirmations. Seeking to intervene into national educational jurisdictions essentially requires the stimulation of a domestic community of support.

Given the overwhelming domination of economic policy within national government programming, however, it is not really surprising that many instruments and conventions that seek to make education more attuned to human rights/human development, and all that this would entail, languish for years before they are endorsed or implemented, even after they are signed. It is presumably part of a 'shame' approach that we sometimes read in newspapers of the number of unsigned (or signed but unratified, or ratified but unimplemented) instruments of agreement that governments can be seen to be guilty of.

Human capital reports, on the other hand, quickly become debated in Parliament and become the source of questions to government Ministers about when and how they will respond to the latest contrastive measures which purport to prove how well, or badly, Australian children read, add up, spell or know geography compared to their Taiwanese, Japanese, Swedish or German age peers.

2 GLOBALISATION

2.1 INTERNATIONALISATION AND GLOBALISATON

Internationalisation, and its more popular pair-word, globalisation, have become 'frame words' for much public policy. Education policy is strongly influenced by beliefs that internationalisation is inevitable and rapidly advancing to characterise all spheres of life.

Although it is possible to advance **negative, neutral** or **positive** readings of the globalisation thesis in this paper I want not so much to evaluate it as to discuss some of the key concepts that underlie thinking about education framed within a globalisation frame.

In particular I want to reflect on how language and literacy competence are coming to assume proxy status as measures of a nation's average education and training levels (and therefore measures of its human capital, and therefore again, of the nation's competitive status) in an internationally competitive context.

Though we are constrained to use it the term 'globalisation' is highly problematical. For a start its popular use almost always refers only to the internationalisation of financial markets.

Internationalisation does not *literally* mean globalisation since large parts of the world are left out (although all are profoundly affected by the domination of the world's financial resources by mobile finance that regards no part of the world as its nation).

We should also be clear that globalisation is not new. Although it has many antecedents students of globalisation commonly trace its origins to the Roman empire's syncretic capacity to absorb non-native ideas and to weld them into a distinctive culture for ruling and domination.

The Roman Church extended this transnational project but based its organisational content on **spiritual commonality** transcending ethnicity, race, language or any of the other content definers of more narrow identity.

Theorists who study World Systems are also sceptical about claims about the newness of globalisation.

Capitalism has always been a global project growing from its 17th century European origins through economically inspired imperial and colonial adventure. Its main opponent in this century, World Communism, always and explicitly shared its global objective, if nothing else (Cox 1996).

Nevertheless the first economists' uses of the terms **global economy** and

globalisation are found in the early 1970s. These coincide with the international cooperation forced on western capitalist economies in response to the price hikes of Middle East oil producing nations (and later and more strongly) in the middle 1980s with the emergence of the Asian economies and the stagnation of western economies. At this time it became clear, perhaps for the first time, that economies well endowed with natural resources *were not necessarily rich or competitive.* Japan, Singapore and Switzerland had few natural resources but, Japan at least, was the world's most successful trading nation and Switzerland's ongoing economic success could hardly be attributed to any natural endowment of minerals or other 'natural' assets. These economies had several key distinguishing characteristics: they needed markets to be open (other nations' markets, not necessarily their own) and were seen to be successful because of assets of human capital, not physical, natural or 'raw' assets.

2.2 THE NATION UNDER INTERNATIONALISATION

Internationalisation assumes that the core entity of human organisation (beyond tribal and family groupings) is the nation. Globalisation threatens no entity more deeply than the nation. The nation and the global economy are two entities on a collision course.

The logic of the nation operates something like the following:

- The world is organised principally into entities called nations and these nations have either been formed into separate states or seek to do so.
- Some nations are 'trapped'; they are 'natural' nations but for political reasons are not free to form a state.
- These nations are defined at least partly 'against each other', ie that they devise their boundaries and their content around their differences.
- Nations, as states, will conduct their public life, eg education, by inculcating the citizenry into modes of loyalty, attachment and identity to themselves.
- Nations control at least one of the following: a geographical space, a people united if not by ancestral links then by their choice of an association of common interests, an economy, a national culture and language.
- When nations form collectivities, the nation remains the critical organising unit (the United Nations is the classic instance).

In thinking about the relation of nations to global economy I have looked at the ideas of several scholars of nationalism, in particular Anthony Smith, Eric

Hobswawm, Benedict Anderson, Elie Kedourie, Hugh Seton-Watson and Ernest Gellner.

From these scholars three overarching approaches to nationalism and the prospects of its survival in the global era seem to recur. A much debated idea among scholars of nationality is whether there will be a persistence of national feeling into the future when so many of the current trends are trans-national in character.

The first approach or view sees nationality as a **transient** phenomenon. Globalisation will inevitably overwhelm nationality, which is of the past. The claims of nationalists will give way, no matter how difficult it might be to envisage this now, to the benefits of a global economy and shared cross-national values. Youth already are fashioning a trans-national identity and this is a sign of things to come. Nations, and national languages, will fade inevitably and we should hasten their departure. They have caused too much human misery and divided people unnecessarily. States should be neutral of ethnicity.

The second sees nations as **useful**, necessary and mostly benign. Even if nations come under pressure from extremists and ultra-nationalists, the nation itself actually provides a sense of belonging and community in an alienating world of dog-eat-dog economics. National languages and national cultures similarly provide this sense of identity and belonging. Global identity is too vast and impersonal, and extreme state nationalism has the devastating consequences of 'ethnic cleansing'. We should strive to re-make nations within an interdependent world, rather than abandon them, or make them the sole form of identity. Nations will fade if we let them, but we mustn't. Nations can be pluralistic and in the modern world most of them will in fact be multicultural but they will continue to exist only if we act to make them so.

The first and the second orientations to nationality assume that national feeling is a human construct, that it is made and can be either discarded, or retained, if some kind of process were able to be designed for this to occur. The third view differs radically in that nationality is seen to be primordial.

The third sees nations as essential and basic, and the inevitable form of human organisation. Post-national structures are an illusion, and nations are psychologically necessary and inevitable. The extreme version of this also believes that multicultural states are a contradiction in terms. States require a single or dominant national group. Let's just accept this fact and abandon the multicultural myth.

The first view assumes that although under the pressures of globalisation multilingualism may remain, language is essentially about communication (not solidarity). In other words most languages will fade away, minority languages particularly will pass away, and people will be linked by common economic interests. Languages are, by this approach, essentially distractions, remnants of past times when wider communication systems were not possible.

The second view of nationality assumes or requires vibrant community institutions bolstering diversity, vibrant community organizations retaining languages, vibrant ethnic schools networks all using their languages. However, states will probably still be characterised by nationality, or by dominant single nationalities, like Australia today, but will probably be demographically diverse as well. Many who hold this view argue that states need defending. Proponents of this view of national states as useful and benign argue that threats to this notion of the state come from two sources. The first threat is a cultural one, deriving from the homogenising tendencies of commercially motivated globalisation. Popular culture in this view threatens to turn all nation-states into facsimiles of Hollywood, of American individualism and of consumerism. The second source of threat to the benign, mild nation state is that it will be unable to resist the forces of narrow and extreme forms of nationalism.

The first view is essentially economistic and looks at society as an economy first and foremost. The second view of nationality stresses society as a expression of culture, rather than a reflection of economic forces. The first is competition oriented (the strong prevail over the weak) whereas the second view of nationality involves the possibility of intervention to structure social futures around desired ends and a pragmatic acceptance that mild nationality is desirable, if not inevitable.

The third we know too well. It believes that nations are primordial, that we are what we were born, and that the world is irretrievably and permanently divided in these deep ways. If the first is about economy, the second about society, the third is mainly about unchangeable race and ethnicity.

Given the diversity of approaches, it is clear that the issue of the persistence and role of nationality is beyond empirical resolution.

As a strong counter to any attachment to the primordial view are Eric Hobswawm's studies of 19th century European nationalism. Hobswawm has shown that nations are created through political struggle, and once created, seek to invent their peoples and their traditions. Far from nations being the core

of the formation of the nation-states they are often invented subsequent to the political entity being formed.

This kind of nation claims that underlying it are traditions of common ancestry, often identified with a single language. In reality however, such nations often establish 'unity' via cultural politics and cultural practices that silence difference, marginalise minorities, invent a national language from the gradations of existing dialects.

Such nations actively intervene in language to bring about standardised written and spoken forms, they aim for universal basic literacy (and elite cultural literacy) and forge a stratified but common national culture. In other words there are many nations (even ones we might suppose to be 'natural' collectivities of people who are alike in some kind of way) that are made, built, created, or even invented.

By this logic of Hobswawm's some of the 'nations' that appear today to exist as inevitable or natural entities are very plastic, ie they have been made. Capturing this idea one of the intellectual guides of Italian nationalism in the 1860s Count Camillo Cavour famously stated: "Now that we have made Italy we must make the Italians". He was referring to the political success of having forged an independent state, where none had existed for more than 1, 200 years and having fashioned that state after an **assumed** nation. For Cavour the Italian nation was everpresent, even during the long periods of political disunity, Italy existed as a nation waiting only for an Italian state to be made.

Certain kinds of conditions make possible, or constrain, nation-making but that they can be made, essentially puts paid to the idea that nations are essential, permanent or fixed. The problem with nations has been most often that they have sought to become exclusive and excluding states.

Taking further the idea that nations are able to be fashioned is Benedict Anderson's work on the nation as 'deep historical comradeship' (Anderson) and the state vertical administration.

Anderson's famous contribution is to show how modern nations are **imagined communities**. Modern nations are so vast and complex that many people who comprise them have little in common with each other. The traditional sense of community derived in small settings from interdependence among its members (drawing water from the same well, tending the same fields, observing the same beliefs) which may have originally formed these nations is no longer possible with vast territory, huge populations and great cultural diversity. Modern nations find ways to inculcate a sense of common

belonging by operating in the realm of the imagination, the sense of community with real strangers, that can be invoked and sustained by society, the state's institutions and the media.

2.3 THE MULTI-CULTURAL NATION

Very few nation states have provided true pictures of the rhetoric which creates them, or on which they are founded. Most are more diverse, and plural in culture and language than the 'unity' stories they tell themselves would admit, few have borders that are totally uncontested, and none has an economy quarantined totally from outsiders.

Nevertheless nation states have been a model of separation in the past compared to the fluidity with which they will be confronted in the future. Diversity of every conceivable kind will confront them, commencing with the phenomenon of population movements of historically unprecedented levels (Castles and Miller 1993).

Typically democratic states, like Australia, adopt one of two possible types of position in relation to linguistic and cultural diversity.

The first we can call **procedural liberalism** and the second **state interventionism.**

Under procedural liberalism, states assume that rights inhere in individuals only and not at all in collectivities. In response to the rights, states remain neutral. At most a state ought to concern itself with establishing fair principles, level playing fields as it were, for decision making and for the resolution of disputes. States based on the idea that it is legitimate to intervene in relation to issues concerning diversity derive their thinking from a different logic. It is appropriate for states to support particular economic prescriptions, nationalities contained within the state, cultures, languages or religions in some interventionist way.

States based on principles of procedural liberalism, ideally, are ambivalent about or indifferent to, social pluralism, tending to regard such cultural-linguistic diversity as the private concern of the individuals who comprise the society.

In practice however, procedural liberalism is often anti-pluralistic. This is because 'culturally neutral' states are extremely rare (some commentators consider the idea ludicrously idealistic). A society's dominant cultural systems become 'normalised' and come to be considered the natural way of doing things while *differences* tend to be regarded as problematic, unsettling or

hostile. Different cultural practices are also seen to require community institutions to sustain them, and to support these would violate the espoused individualism of states that favour procedural liberalism.

Multicultural polities will not lead to multicultural policies under strict applications of procedural liberalism.

States based on ideas of state interventionism are not, of course, automatically pro or anti-pluralist. The 'intervention' of the state may be either in favour of pluralist conceptions of the nation and the state, or it may actively endorse and support one of the constituent identities and discrimminate against minority interests (or for that matter even majority interests when states favour minorities with power). Multicultural policies can emerge from state interventionism in multicultural polities.

Globalisation is making nations porous. The boundaries are being lowered and the content is being transformed. The nation (as state) claimed control over its people's language, culture, the national territory and the national economy. **Standard** languages were invented by academies well before most nation states came into existence, but it was nations which had become states that invented **national** languages, and mass standard language literacy.

Mass and global population movements, global cultural formations, instantaneous communications, global crime, environmental management all these and other forces are making states retreat. From these processes the singular nation is a clear anomaly and indeed even the multicultural nation may prove to be.

In many ways the world is forming an interconnected single system and the narrowly conceived nation is having to cede sovereignty to the global forces and possibilities of various kinds. Leaving aside the important questions of how fair or foul these processes of globalisation are, and even how successful or otherwise they are, two questions arise:

- If a national economy is built on **national language literacy** in a standardised national language, what communication practices does a global economy need?
- If most nation states have actually failed in their cultural homogenising aim (and those that did succeed now must adapt to the multicultural, multiliterate, and multilingual context of the globalising economy) how does internal diversity which remains in these societies connect with the external diversity of the global context?

Global diasporas is one possibility, separating cultural from economic policy is another.

Diasporic communities are long established of course, and have historically been able to maintain cultural connections across great distances and spans of time (less frequently have languages been maintained in diasporic conditions). Some 'nations' are operating as diasporic communities across traditional nation-state boundaries in a trans-national collection of ethnicity. South east Asian Chinese family capitalism could be said to be a forerunner of this. The Jewish communities of Europe prior to Israel's creation is another instance. The mobile populations of the European Gypsy's another.

Other 'new models' are represented by the transfer of **economic** sovereignty to a supra-national organisation (such as a more powerful European Union) with the devolution of **cultural** sovereignty to regional and local levels.

3) THE THIRD WAY

In the past Left and Right wings of politics regarded the State's response to globalisation in radically different ways. However, there is convergence between them now with the adoption by most political entities of a common ideology of market liberalisation.

For conservatives Friedrich van Hayek is the critical apostle of free markets, while for social democrats, in recent times, it has been the emergence of the Third Way, for which a major influence has been Anthony Giddens.

In recent years British social theory has come to offer a Third Way, a median path between the manifest failure of social democratic parties to win Western populations to socialism and the high price that societies must pay for the hard bitten domination of politics by economic rationalism.

Most Third Wayers are Labourites who seek to recover public relevance in an era of conservative government in English speaking nations. Essentially the Third Wayers argue that the policies of the right lead to insecurity and increased inequality, while the policies of the left have led to inefficient government, overloaded expectations and welfare dependency. The right's solutions are unjust and inequitable, those of the left are naïve and unworkable.

The main Australian exponent of the Third Way is the back-bench occupying Mark Latham, member for Gough Whitlam's former seat of Werriwa. According to Latham the 'social democratic project' has become unsustainable as new layers of state activism are demanded, so that the polity is now supposed to be concerned with minority rights issues, gender equity, social tolerance, international cooperation etc.

Not only has the global economy changed everything, the old Keynesian principles for social democratic parties (ie a welfare state) have become unsustainable. Social democrats are therefore no longer interested in a redistributive agenda for wealth, but are, with Right governments, concerned with wealth creation. Procedural liberalism, once a mainstay of conservatives is a new ground of play for Third Wayers.

Accordingly, because of public resentment of state interventionism, and the 'failure' of welfare states, government should scale back its responsibilities.

For Latham there are really only three tasks for Government:

- the provision of skills and infrastructure to make Australia an unsubsidised attractive home to global capital
- the development of mechanisms to protect the majority of the population whose skills will be inadequate under this exposure to the global market, and finally
- the development in all citizens of a minimum competency to make a useful contribution to community life.

Latham's vision (indeed it is true of Third Wayers around the world) is for government to restrict itself to making it possible for more individuals to compete. Education and training have a major role to play for Third Wayers. They seek to tame, or in Latham's words, to civilise, rather than overthrow, the mechanisms of global capital. In effect, the nation state must give up space, concentrate on skilling its people, and adapt to global capital.

For Latham the global economy has had three main and largely unstoppable effects:

- the internationalisation of trade and production which has made capital much more mobile
- the globalisation of capital markets which has made national economies highly vulnerable and national economic policy subject to the confidence of international capital (the Asian crisis)
- the creation of the knowledge-intensive economy which has meant that a highly skilled workforce is the key to a competitive internationally oriented economy (Latham 1998 75-87).

Giddens' view differ slightly from Latham's. For Latham governments should not become involved in identity and cultural issues (procedural liberalism) whereas Giddens believes that globalisation has brought to the fore what he calls 'life politics'; ie 'how we should live in a world where everything that used to be natural (or traditional) now has in some senses to be

chosen, or decided about (Giddens 1998 90-91).

Identity politics therefore needs to be joined to 'instrumental' politics of life chances, an extension of state interventionism.

For Latham human capital formation is the key contributor to economic growth, therefore governments need to invest in a skilled workforce and that only by doing so can economic benefits remain firmly within the nation state (Latham 1998: 3). Social justice is a concept that is not strongly advanced by the new social democrats, as if it is out of the boundaries of their new thinking.

Although known by different names Third Wayism is rampant among social democrats in western societies.

Gerhard Schroder has broken a decades long conservative stranglehold on German politics by advocating an agenda that looks a lot like 'skilling people and letting the global economy run"; the conservatives in France have been forced into a co-habitation with social democracy under Lionel Jospin who also is concerned to educate for global competition; Massimo D'Alema's centre left coalition in Italy governs with a mandate for reform but with an eye to social capital and social values, Bill Clinton and the Congressional Democrats appear to have beaten back the Newt Gingrich revolution in the United States, but by restricting much of the program of social democracy that they used to espouse.

The European leader in these endeavours was Spain whose centre left parties reformed the state in the manner the right had been campaigning to do.

All these are examples of revisionist social democracy. All are motivated by a lexicon of international exposure setting standards of competitive practice, and this being signalled most strongly by standardised measures of assessed literacy and numeracy skills.

Australia and New Zealand experienced such social democratic embracing of market forces and small government earlier. In New Zealand it was *Rogernomics*, under Labour's treasurer Roger Douglas, and in Australia it was the Hawke-Keating occupation of the treasury benches and John Dawkins' stewardship of education. Notably in all cases national policies for literacy, basic education, training reform and linking schooling to business were signal policy directions.

That the Third Way is indeed a shared vision is clear from a declaration by British Prime Minister Tony Blair and US President Bill Clinton in early 1998. Blair declared that Centre Left parties the world over should revise their ideological inheritance and re-shape it along Third Way principles, one that is

different from both traditional Left politics and neo-liberal Right politics.

The main part of the Third Way is an acceptance of globalisation, an acceptance that under the global economy market forces will be allowed to determine resource allocations, and a consequent reduction in the function and size of the state: ie a new social democracy.

For Giddens the explicit goal is to shape a path between the Right's traditional priority for autonomy and the Left's traditional priority for interdependence in various spheres of social life, or between the imperative of economic efficiency which preoccupies the Right and with stability and equality which exercises the Left.

As British Prime Minister Tony Blair has argued:

> *Globalisation is changing the nature of the nation state as power becomes more diffuse and borders become more porous. Technological change is reducing the capacity of government to control a domestic economy free from external influence.*

If these are the sources of the new Left's thinking, then Friedrich von Hayek, and especially his highly influential 1943 book, the *Road to Serfdom,* which provided a defence of classical liberalism and free markets is the Right's bible, certainly for his followers Ronald Reagan and Margaret Thatcher.

Hayek glorified the British tradition of capitalism and individualism. Collectivist ideologies (whether Fascist or Communist or Religionist) were identified by him as the main barriers to the universal spread of English values (presumably the English language as well) and to the freedom that he admired.

Hayek's writings were taken up by think tanks in Britain and the United States and were the basis of the US and UK thinking about national curricula to safeguard 'civilisational legacies', elimination of the welfare state, school choice and parental sovereignty etc.

Hayek is the modern father of the free market ideology. For Hayek the pricing power of free markets was also a moral question as well, it not only produced better relations between producers and consumers but was less self-serving and less self-interested than the bureaucratic alternatives offered by the Left. Free markets provide freedom and social decency, as well as protection from the bossism of bureaucrats, ideologues and religious fanatics.

Free choice for individuals in a free market creates a beneficial social order with the state's role limited to securing the freedom of markets. Hayek's colleague at the University of Chicago, the economist Milton Friedman, then extended Hayekian market thinking to education directly.

4) HUMAN CAPITAL

Human capital is the theoretical framework that dominates thinking about education in many societies and is accepted by the new social democratic thinkers and leaders. The OECD defines human capital as: "The knowledge that individuals acquire during their life and use to produce goods and services or ideas in market and non-market circumstances" (OECD 1997: 17).

To a large degree it has a legacy in Hayek's work about what produces social and economic progress. It was a large part of the Dawkins thinking in Australia on literacy and language policy and on general education reform of the early 1990s. Human capital is clearly, in my view, the dominant thinking of the present government in relation to labour market, education and training agendas with the possible difference of a reduced sense of the States responsibility to drive change.

The science, if it is that, of Human Capital has come in three waves.

The first was in the late 1950s and early 1960s and reached its peak in 1970. Under the tutelage of North American economists it examined the correlation between the distribution and levels of income and education attainments.

It was an optimistic time for economists. They believed that public policy, (especially for education expenditures) could be confidently grounded on the empirical demonstration of the returns to government, individuals and companies that would result from investments in the skills and training of workers, young people in schools and in research and development. It was the beginning of an idea of personal economy, the universe as an interconnected economy of rational people making cost-benefit assessments of the returns for investment cost in all areas of their lives.

The second wave of human capital theory essentially wiped away much of this confidence by really empirical examinations of labour markets and income levels and distributions. These studies found a much more complex picture and argued that the correlations between labour market **success** and education levels were not **causal**, or very imperfectly causal. In other words lots of intervening variables (not to mention social opportunity, preexisting wealth, contacts, prejudice and a host of other facts) interrupted the confident idea that there was a predictable pay off for investing in skills.

If labour markets were not linearly related to education, if deep and persistent segmentation persisted and if there were other failures of the human capital

theory to predict outcomes then it was not a sufficient basis for public policy.

The **market for competence**, as it came to be called, (ie who gets what reward for what proved competence) is **extremely** imperfect and this imperfection largely invalidated much of the optimism of early human capital theorisations.

The third wave of studies followed the stagnation of western economies in the late 1980s and the defeat of social democratic parties throughout the English speaking world during the 1980s (except in Australia and New Zealand).

A reinvigorated human capital research effort was commenced. This time it focussed on micro-examinations of firms, or schools, or small education systems. Its findings are claimed, by the OECD at least, to show **strong** connections between the investment in skills acquisition that governments, individuals and companies can expect and returns that they obtain in jobs, security, etc and that national economies reap in terms of improved economic competitiveness.

One the main exponents of this whole approach to knowledge, **ie knowledge as an economic category,** is F. Machlup, through his 1984 three volume work: *Knowledge: Its Creation, Distribution, and Economic Significance.*

For Machlup there are three what he calls 'knowledge stocks' that any economy can draw on and create capital:

- knowledge embodied in individual physical tools and machines specially built according to specifications in research and development programs
- knowledge embodied in individual persons, specially schooled and trained as 'knowledge carriers' and qualified workers with acquired skills
- non-embodied knowledge, created and disseminated at a cost but not inseparably embodied in products or knowledge carriers.

Machlup explains the theory of human capital as follows:

> *The connection between knowledge and human capital is easily understood if one realizes that capital is formed by investment, that investment in human resources is designed to increase their capacity (to produce, to earn, to enjoy life etc), and that improvements of capacity, as a rule, result from the acquisition of 'knowing what' and 'knowing how* *(Machlup 1984: 8)*

All this points to a parallel between physical capital, that is capital resources, and human capital.

It leads advocates of human capital to argue that employers should regard employees as **investments** and not costs. It leads to economists and accountants to seek a **'full accounting'** of human capital investment as assets that produce returns to the investor, presumably government and companies.

All this focus on the **economic role of knowledge,** seeks to make 'invisible' capital (ie human beings and what we know) **visible** to the gaze of accountants and economists. The economic role of knowledge is seen to be critical in the post-industrial economy, (services, high-tech value added production, tourism etc). It seeks to create a market for competence exchange which will come from having good information about human capital like we have for physical capital or physical assets.

Economists however struggle with two issues here: measurement and signalling. A market can only exist if there is a **product** or a service to be traded. The purchase or sale of something, especially something **intangible,** (like what you know, what skills you have and how much these are worth, ie competence that some purchaser is interested in buying) naturally brings into play the question of how it is **known to be worth what you claim for it,** (ie signalling) and how your claim for its worth is validated by others (ie measurement).

If human capital, ie if human **competence** is a market, then, **like all markets,** economists require it to have **signals** (the usual signal for an economist is a **price,** ie the result of the interaction between a supplier and a producer, between demand and supply).

This can only be determined where **good information** is available.

To have good information we must be sure that we can in fact measure the entity we are aiming to measure and describe, and that we know its nature sufficiently to be sure that **even if we do measure** it that it will behave the way we expect it to, ie that **competence will be consistently related to performance**, or consistent enough to allow prediction.

Often the OCED has used literacy and language (eg the 1996 IALS survey) as a proxy for 'average education levels' or as evidence of direct testing.

To linguists and applied linguists, and literacy scholars, in whose professions the importance of context, setting, and variation in performance are the main paradigm of the profession since the late 1970s all this seems excessively optimistic at best.

The third wave of work in human capital has focussed on micro studies where empirical examinations of what firms get back for what they put in to

the competencies of their workers contributes significantly to their economic competitiveneness.

According to the OECD there have been two dominating trends in industrialised economies since the late 1970s.

- The first is a vast increase in science and technology investment. The stock of human knowledge has doubled in 7-10 year intervals corresponding to annual growth rates of between 7 and 10%.
- Second has been the change in the relative proportion of investment between physical assets and intangible assets, mainly humans. In the late 1980s rich country governments requested OECD investigate the 'productivity paradox', ie why with accelerating technical change there was sluggish economic performance.

One of the conclusions of the OECD was that the problem is one of signalling, ie how to account for human capital assets, and investment in them, how to signal this and how to operationalise this in the market place. Signals help governments and companies to target investments.

In all of this the key indicator of general human capital are the assessed rates literacy in the national standard language of the national economy concerned. Literacy here is a **metric** and in direct conflict with literacy experts' interest in the anthropology of literacy, how it varies according to context and purpose and setting.

As Street has pointed out:

> *..educationalists and psychologists have focussed on discrete elements of reading and writing skills, anthropologists and sociolinguists concentrate on literacies-the social practices and conceptions of reading and writing. The rich cultural variation in these practices and conceptions leads us to ...be wary of assuming a single literacy.*

Human capital theorists are not so timid. They actually conduct studies that aggregate and de-contextualise literacy performance across up to 15 or 20 countries with vast differences in script, culturally marked literacy practices, the relation of oral language to written language, the communicative contexts within which written forms of language are located and with only the most minimal acknowledgement of the variety and functionality of different text types.

Human Capital of course is not so amenable to precise quantification as tangible asset investment. In recognition of human capital economists have tended to use one of three approaches to determine the amount of it in any society at any one time:

- **Assess the cost** of formally recognised schooling and training, ie of certified knowledge
- **Test people directly** for particular competencies
- **Estimate productivity** based on peoples educational attainments, ie a person's income level, occupational status is assessed as reflecting the level of competence that they have.

These measures give rise to questions that challenge their validity. The first approach says very little about the **content** ie about what is actually learned. Certificates are only very general guides to competence, and competence and performance can vary significantly.

As far as direct testing is concerned this field is a continual site of dispute about its validity, the inequalities that testing can engender, about conflicts of interest and inconsistency. Direct testing of competencies is far from being widely acceptable as a means for determining the range and extent of particular kinds of competencies in a given population.

Finally, the estimation of productivity based on actual attainments depends heavily on highly questionable assumptions that competence is accurately reflected by labour market status.

While the first and third of these have been subjected to many studies by international agencies it is only recently that the third has been taken up by them, and specifically by the OECD. The best example is the 1996 *International Adult Literacy Survey* which in Australia took the form of the Survey of Aspects of Literacy conducted by the Australian Bureau of Statistics.

We can identify in the concern the OECD has expressed for improving the signals a tendency to subject ever greater strata of life to the gaze and scrutiny of various categories of describers. Indeed in 1996 the OECD adopted the goal of a 'borderless world'. It acknowledged that this would only be possible with the world-wide acceptance of the Hayekian principles of a market economy.

According to the OECD:

> *Globalisation has become the dominant trend in the world economy...dynamic and emerging market economies are 'linking' themselves to the global economy through trade, capital flows and technology exchanges"* *(1997: 3).*

The need to quantify human capital is so strongly felt within the OECD that its economists are giving way to accountants. In a 1996 study of Human Capital the OECD concluded that one way to improve information on human competences is for reform to 'national accounting systems' (OECD 1997: 95).

In a recent book Michael Power has described the contemporary feeling of society as the Audit Society. He comments: "People are constantly checking up on each other, constantly monitoring the ongoing stream of communicative exchanges and accounts that make up daily life".

For Power we are witnessing an **audit explosion,** with a 'striking' expansion in audit bodies and their intrusions. For Power a key reason and effect of the audit society is the total dismantling of the private-public divide.

The World Bank shares the role of spreading Human Capital thinking throughout the world. Membership of the OECD is restricted to nations which meet certain criteria, principally those of given kinds of economic size (especially GNP, Gross National Product). It might be said therefore that its prescriptions and pressures would be in any case restricted to nations that largely share these views in any case. However, the World Bank extends the OECD Human Capital approach beyond wealthy nations to the poor nations of the world as it pushes them to adopt its economic prescriptions, which, as I have argued, are not mere economics but are also a theory of society.

To operationalise human capital the task has been passed over to audits and accountants. The indicators and signals that constitute 'good information' are their goal. The agenda of work of the OECD and the World Bank over the next five years to refine the instruments for human capital accounting sufficiently to allow national audits of human competence and to rank these across the world. These are seen to be critical moves to permit a rational allocation of resources to areas that the managers of economic decision making believe are most productive.

5) HUMAN RIGHTS/DEVELOPMENT

A radically different agenda for education comes from the United Nations. With the adoption by most political entities of market mechanisms for the allocation of resources the many Declarations of principle and Human Rights that come out of the UN read like an antiquated 1970s agenda for Australian schooling.

Some key declarations and positions that appear to struggle against the tide of the adoption of human capital beliefs are endless. Some significant ones which appear to swim against the present tide, and are timely in Australia today are:

UNESCO 1953
Declaration on Mother Tongue Education
UNESCO 1992
Red Book on Endangered Languages of the World
UNESCO/UNICEF
Education for All, (The Jomtien Declaration)
UNESCO/UNICEF
Intercultural Education
The Jacques Delors Commission (International Commission on Education for the 21st century). LEARNING: THE TREASURE WITHIN
UNESCO
Languages for Peace and Human Rights (LinguaPax)
UNESCO
Education and Human Rights and Cultural Integrity
THE UNIVERSAL DECLARATION OF HUMAN RIGHTS
Article 26 reads:

Everyone has the right to education. Education shall be free, at least in the elementary stages....Elementary education should be compulsory. Education shall be directed to the full development of the human personality and the strengthening of respect for human rights and fundamental freedoms. It shall promote tolerance, understanding, friendship among all nations, racial or religious groups and shall further the activities of the United Nations for the maintenance of peace.

According to the World Declaration of Education for All national and religious customs regarding indigenous education, first language maintenance, literacy in the mother tongue, education of boys and girls will be taken forward according to national and cultural values.

In this array of statements, declarations, affirmations and so on there is a recurring concern with issues of cultural relativity, human rights, education rights, first language and first language literacy rights. The grounding of education within contexts of local relevance and power are a strong feature of this approach. However, these positions often receive lip service from national governments and carry far less weight than the comparative studies of performance across nations that link such results to competitive economic rankings.

6) CONCLUSION

There is no real conclusion to these considerations, except to call for a professional encounter between scholars and policy makers from each of these traditions to explore points of common understanding and difference.

It would be wrong to impute a monolithic or even a common approach to any of the organisations I have referred to, or to suggest that there is no scope for dialogue which can forge some cooperative research endeavours among or between them.

However, at the same time, it would be naïve not to recognise that the field of language and literacy research and especially language and literacy education has not been utilised in ways that are reductive and unsupportable by language specialists. These appropriations of language measures to serve the purposes of economic planning often do have deleterious effects on education.

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